

[24 April, 2001]

RAJYA SABHA

handed over to CBI. Subsequently, CBI registered a case in the matter and on 31.3.2001, conducted searches including the office and residential premises of 48 Customs Officials. The investigations by CBI are in progress.

Benefits under WTO commitments

*560. SHRI R.S. GAVAI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government are making efforts to face the challenge and reap the benefit of WTO commitments; and
- (b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) and (b) India was a founder member of General Agreement on Tariffs and Trade (GATT) 1947 and has been consistently supporting the strengthening of the rule-based multilateral trading system. Government decided to sign the Uruguay Round of Agreements after taking into account the balance of obligations and rights conferred by these agreements. WTO provides a rule based, transparent and predictable multilateral trading system which protects the member countries from the pressures of their stronger trading partners. WTO is a democratic organisation which works on the principle of one country one vote and as such India as well as other members have a say in the rule making process in WTO.

WTO rules envisage non-discrimination in the form of National Treatment and Most Favoured Nation (MFN) treatment to our exports in the markets of other WTO Members. National Treatment ensures that our products once imported into the territory of other WTO Members would not be discriminated *vis-a-vis* the domestic products in those countries. MFN treatment principle ensures that Members do not discriminate among various WTO Members not only in their tariff regimes but also in respect of various other rules, regulations, incentives etc.

If India were not to be a member of such a multilateral trading system of WTO, India would have had to separately negotiate bilaterally with all the countries for obtaining such an MFN treatment. Another important benefit accruing is the availability of a strong and effective Dispute Settlement Mechanism (DSM) under the WTO. There are contingency provisions built into WTO rules, enabling Member countries to take care of exigencies like balance of payment problems and situations like surge in imports. In case of unfair trade practices causing injury to the domestic producers, there are provisions to impose Anti-dumping or Countervailing duties as provided for in the Anti-Dumping Agreement and the Subsidies and Countervailing Measures Agreement.

In the ongoing mandated negotiations under the Agreement on Agriculture and the General Agreement on Trade in Services and also under the various mandated reviews of various WTO Agreements, India has been participating actively and has been effectively articulating its interests and concerns.

However, during the implementation of WTO Agreements during the last 6 years, we have experienced certain imbalances and inequities in the WTO agreements and have also found that some developed countries have not fulfilled their obligations in letter and spirit of the WTO agreements and many of the Special and Differential Treatment Clauses in favour of developing countries in various WTO agreements have remained unoperationalised. India alongwith other like minded Members have highlighted these "implementation related concerns" in WTO. This is being addressed by the General Council in WTO.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

FDI in domestic airlines

4099. **SHRI PARMESHWAR KUMAR AGARWALLA:** Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government proposed to raise Foreign Direct Investment limit in domestic airlines;